

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Mortgage Broker License of:

Case No.: 10F-BD032-SBD

3 **MOSAIC MORTGAGE, INC. DBA ABC**
4 **MOSAIC MORTGAGE and MICHELLE R.**
5 **HERNANDEZ, PRESIDENT**
3112 North Pleasant Drive
Chandler, AZ 85225

ORDER OF SUSPENSION

6 Respondent(s)

7
8 On October 5, 2009, the Arizona Department of Financial Institutions ("Department") issued an
9 Order of Summary Suspension and Notice of Opportunity for Hearing ("Order") in the above-referenced
10 matter. The Order summarily suspended Respondents' license due to their failure to maintain the
11 statutorily required surety bond and advised Respondents that they could request a hearing within 30
12 days of service of the Order to contest the allegations contained in the Order. The Order further stated
13 that if a timely request for a hearing was not received, the Superintendent of the Department of Financial
14 Institutions ("Superintendent") will enter the allegations in the Order as Findings of Fact and
15 Conclusions of Law and will order the suspension of Respondents' license.

16 The Superintendent now makes the following Findings of Fact and Conclusions of Law and
17 enters the following Order.

18 **FINDINGS OF FACT**

19 1. The Order was mailed to Respondents at their last address of record by certified mail,
20 return receipt requested.

21 2. Respondents did not request a hearing on the Order.

22 3. At all material times, Respondents were licensed as a mortgage broker, 0902790, in the
23 State of Arizona.

24 4. Respondent Mosaic Mortgage, Inc. DBA ABC Mosaic Mortgage ("Mosaic Mortgage"),
25 is an Arizona corporation authorized to transact business in Arizona as a mortgage broker within the
26 meaning of A.R.S. §§ 6-901, *et seq.* The nature of Mosaic Mortgage's business is that of making,

1 negotiating, or offering to make or negotiate loans secured by Arizona real property, within the meaning
2 of A.R.S. § 6-901(11).

3 5. Respondent Michelle R. Hernandez ("Ms. Hernandez") is President and 100% owner of
4 Mosaic Mortgage. Ms. Hernandez is authorized to transact business in Arizona as a mortgage broker
5 within the meaning of A.R.S. § 6-903(H).

6 6. Pursuant to A.R.S. § 6-903(J), Respondents are required to have a surety bond in the
7 amount set forth in A.R.S. § 6-903(K), or an alternative as set forth in A.R.S. § 6-903(M).

8 7. On October 17, 2009, the Department was notified by the Arizona State Treasurer that
9 check number 1106 written by Mosaic was returned marked "Not Sufficient Funds." Check number
10 1106 was made payable to the Department for the renewal fees for mortgage broker license number MB
11 0902790.

12 8. On April 6, 2009, the Department received a Notice of Cancellation from Hartford Fire
13 Insurance Company stating that Mosaic Mortgage's surety bond, number 14BSBAJ1864 in the amount
14 of \$15,000.00, was to be cancelled effective May 12, 2009.

15 9. On April 6, 2009, the Department sent a letter to Respondents, to the mailing address on
16 record with the Department, via certified mail, informing them of the bond cancellation..

17 10. On June 3, 4 and 5, 2009, , the Department sent emails to Mosaic Mortgage, at the email
18 address on file with the Department, regarding the bond cancellation and insufficient funds check.

19 11. Respondent failed to pay the renewal fees that re due for the renewal fo their mortgage
20 broker's license.

21 12. Respondents failed to provide documentation regarding the reinstatement of their bond or
22 documentation of a new surety bond.

23 13. Respondents do not have the required surety bond in order to conduct business as a
24 mortgage broker.

25 14. The conduct described above constitutes grounds for the suspension of Respondents'
26 mortgage broker license.

1 **CONCLUSIONS OF LAW**

2 1. Pursuant to A.R.S. Title 6, Chapter 9, the Superintendent has the authority and duty to
3 regulate all persons engaged in the mortgage broker business and with the enforcement of statutes, rules,
4 and regulations relating to mortgage brokers.


5 2. By the conduct set forth in the Findings of Fact, Respondents have failed to maintain the
6 surety bond required by A.R.S. § 6-903(J).

7 3. Respondents have not conducted business in accordance with the law and have violated
8 Title 6, Chapter 9, which constitutes grounds for the suspension of Respondents' license pursuant to
9 A.R.S. § 6-905(A)(3).

10 **IT IS HEREBY ORDERED THAT** Respondents' license is immediately suspended unless and
11 until reinstated or until said license expires by operation of law.

12
13 EFFECTIVE this 30th day of November, 2009.

14 Thomas L. Wood
15 Acting Superintendent of Financial Institutions

16 
17 Robert D. Charlton
18 Assistant Superintendent of Financial Institutions
19
20

21 **ORIGINAL** of the foregoing filed
this 30th day of November, 2009 to:

22 Thomas L. Wood
23 Acting Superintendent of Financial Institutions
24 Arizona Department of Financial Institutions
25 Attention: Susan Longo
26 2910 North 44th Street, Suite 310
Phoenix, AZ 85018

1 **COPY** of the foregoing mailed or
2 hand-delivered this 30th day of November, 2009 to:

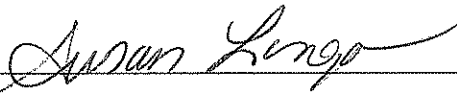
3 Erin O. Gallagher
4 Assistant Attorney General
5 Office of the Attorney General
6 1275 West Washington Street
7 Phoenix, AZ 85007

8 Richard Fergus, Licensing Division Manager
9 Robert Charlton, Assistant Superintendent
10 Arizona Department of Financial Institutions
11 2910 North 44th Street, Suite 310
12 Phoenix, AZ 85018

13 **COPY** of the foregoing mailed Certified,
14 Return Receipt this 30th day of November, 2009 to:

15 Michelle R. Hernandez, President
16 Mosaic Mortgage, Inc. DBA ABC Mosaic Mortgage
17 3112 North Pleasant Drive
18 Chandler, AZ 85225
19 Respondent

20 Michelle R. Hernandez.
21 Statutory Agent for Mosaic Mortgage, Inc. DBA ABC Mosaic Mortgage
22 3029 N. Alma School Rd., #10
23 Chandler, AZ 85224
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